Recommendations of Malhotra Committee

*13. DR. SHRIKANT RAM-CHANDRA JICHKAR:
SHRIMATI KAMLA SINHA:

Will the Minister of FINANCE be pleased to state:

(a) when the Malhotra Committee on Privatisation of Insurance submitted its report;

(b) whether Government have accepted the said report;

(c) what are the main recommendations of the report;

(d) what are the names of the foreign insurance experts who have given evidence to the committee;

(e) by what date are the recommendations likely to take effect; and

(f) what are the likely obstacles in the way of implementing the recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (f) The Committee on Reforms in the Insurance Sector headed by Shri R.N. Malhotra, former Governor, Reserve Bank of India, was set up by the Government in April 1993 to examine the structure of the insurance industry and recommended changes to make it more efficient and competitive keeping in view the structural changes currently under way in other parts of the financial system in the economy. The Committee submitted its report to the Government on 7th January, 1994. No foreign experts gave evidence before the Committee. The major recommendations made by the Committee are stated in the Annexure [*See* Appendix 170, Annexure No 1]. The Recommendations are under consideration of the Government.

Ban on Badla System

*14. SHRI GHUFRAN AZAM:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of FINANCE be pleased to state:

(a) whether there is persistant demand to ban badla system prevailing in various stock exchanges;

(b) if so, the reaction of Goverment thereto;

(c) whether Government propose to enforce disciplinary measures in various stock exchanges; and

(d) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Securities and Exchange Board of India (SEBI) has informed that there have been demands for banning the badla system in Stock Exchanges. As SEBI has statutory powers and functions for regulating the business in Stock Exchanges and the securities market, the regulation of the badla system in Stock Exchanges comes under the purview of SEBI. Government supports the measures being taken by SEBI for regulating trading in securities in Stock Exchanges, including the badla system.

(c) and (d) Yes, Sir. The maintenance of such discipline is a continual process. SEBI has already implemented various measures for improving the functioning of the Stock Exchanges and for ensuring greater transparency in securities. These measures include reconstitution of the Governing Boards of the Stock Exchanges and the arbitration, defaults and disciplinary action Committees of the Exchanges, inspection of the books and other documents of Stock Exchanges as